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seemed to him the faults of this study; its good points are so numerous and will be so apparent to the reader that no comment seemed necessary. KEMPER SIMPSON
Department of Agriculture

Government Control of the Sugar Industry in the United States, by Joshua Bernhardt.
New York: The Macmillan Company. 1920. x, 272 pp.

A volume which narrates the history of a war-time policy can serve only a peace-time purpose. It is the privilege of the amateurs who will manage future wars to disregard all experience and to muddle things for themselves, even as we did before them. Mr. Bernhardt probably had no thought of putting into the hands of future belligerents a valuable contribution to the literature of economic organization for war. Even if he did, there is little prospect that his volume will carry across the years to a future sugar control board. But none the less, the book is important because of its contribution to our very imperfect understanding of our industries, and of the technical problem of controlling them in such a way as to make them serve appointed ends. Excluded from the laboratory, denied the use of the experimental method, and unable to determine in advance of the fact the consequences of a definite procedure, we should welcome as a windfall the mass of material about the organization of industry and the effects of various methods of controlling it which the war has given us.

Among such contributions the story of the control of sugar is among the most significant. The problem which it presents is a fair sample of the problems involved in the control of industry to a purpose. The period of time, much briefer than the scholars would have had it, is ample for at least a tentative statement of problems. The account given by Mr. Bernhardt is objective enough to warrant careful attention. Despite its authorization by the United States Sugar Equalization Board, it is a straightforward story, so free from bias as to be almost dull. The 128 pages of text are for the most part a running narrative, littered here and there with documents and statistics. And enough of this crude raw material is left to cover 134 pages of appendix.

The narrative covers in detail the three periods into which the history of the control of sugar during the war is to be divided: (1) The period of "voluntary coöperation of various branches of the sugar trade" under the general oversight of the Sugar Division of the Food Administration; (2) the period of the centralized administration of the distribution of sugar by the United States Sugar Equalization Board; and (3) the period of the disturbed and hesitating "demobilization of sugar control" which followed the armistice. Of these the second has the larger meaning for the student of economic organization and deserves careful study. It represents an attempt to secure an equitable distribution of sugar by unified administrative judgments based upon accurate and comprehensive statistical data. A study of policy during this period involved a consideration of (1) the ends which the Board tried to achieve; (2) the general industrial conditions which set the terms of the problem; (3) the methods that were employed; and (4) the results that were effected.

The aims of the sugar administration, reduced from Mr. Bernhardt's very comprehensive list, were: (1) To effect a proper distribution of sugar between ourselves and our allies; (2) to secure an equitable distribution among different sections of the country and different groups of the population; (3) to keep the price of sugar within the reach of the ordinary consumer; and (4) to maintain the largest possible production of this staple commodity. It is evident that these aims were more or less contradictory, and that the purpose of the Board was to secure the best relative realization of them.

The great difficulty of the problem lay in the unusual conditions prevailing in the sugar industry. The war had closed the sugar fields of Central Europe and had left England and France without their customary supply. The dearth of shipping had placed the supply from Java beyond reach. The Allies, accordingly, turned to the West, particularly to Cuba, where the crop was threatened by an insurrection. More important still, since the supply available in late summer and early autumn was most seriously curtailed, the seasonal distribution of the product was seriously disturbed. And, lest the problem escape complications, the coming of prohibition had increased the demand for sugar just at a time when the supply of labor for sugar production was decreasing and costs were rapidly rising.

The policy of the sugar administration aimed at a quick adjustment of the distribution of sugar to these new conditions through a unified control of the supply. First, a comprehensive statistical survey was made of the production and the probable future demand for sugar. Second, by purchase of the Cuban crop and other devices, the Board obtained a nominal control of the whole supply and could allocate it in terms of the country's needs. Third, an apportionment of the supply between ourselves and our allies was effected. Here the scarcity of shipping, which imposed a limit upon the amount which Europe could take, made the problem easy of solution. Fourth, a single uniform price for the refined domestic product and a series of differential prices to the growers in Cuba, Porto Rico, Hawaii, Louisiana, and Michigan were established. The differentials included such items as carriage, import duty, and refining. The solution of each of these problems involved a weighing of many values and a consideration of a vast amount of information presented in quantitative form. Thus, in fixing the price of sugar the Board aimed, on the one hand, to avoid profiteering, and, on the other, to stimulate production. To hit upon the price which would best protect the consumer without seriously threatening the supply, the amounts likely to be available at all possible costs had to be approximately determined.

The descriptive task essayed by Mr. Bernhardt causes him to refrain from a judgment upon the success of this venture into national control. But the net effect of the narrative upon the reader is to raise certain questions which he finds himself unable either to answer or to dismiss. When conditions are changing rapidly, is administration by a centralized agency to be preferred to adjustment "by the natural workings of the price system"? Which of the two is quick and effective, and which imperfect, vacillating, and tardy? Is not the efficiency of the distribution of a commodity by the "trade" effective just to the extent that conditions remain the same and distribution follows routine paths? Could the distribution be improved and the commodity offered for less if a centralized statistical service which gathered all the facts was maintained? How far would a centralized allocation of the product help matters? The evidence presented by Mr. Bernhardt does not make out a case for a change from the present system; but it does create so strong a presumption in favor of a more centralized control, based upon an adequate statistical service, that it requires further examination.

In this connection the evidence afforded by the failure of the government to purchase the Cuban crop for 1919-20 and the consequences of the failure are not without significance. Had the government purchased the crop, the price would doubtless have advanced and we would have had conclusive evidence of the failure of "administrative control." But the events which followed in the wake of "letting sugar alone" through dearth and high prices, gave abundant evidence that the workings of unregulated industry are not always so perfect as to be automatic.

WALTON H. HAMILTON